

INSPECTION REPORT

USMX - Utah/Dakota Mining
Goldstrike Project
UTU-68572

Inspected on April 22, 1998 - 1000 - 1230 Mine operation

Inspected by: Larry Gore - DRA Geologist
Wayne Thomas - UDEQ regional engineer
Doug Jensen - USMX Safety/Environmental Coord.

Mine and Processing Plant

I. Inspection List from Utah Cyanide Management Plan (draft)

A. Design Standards -

No new work has been completed since previous inspection.

B. Freeboard

Pond	total capacity
Pregnant	973,000
Barren	1,060,000
Fresh water	668,000
Process	2,400,000
Pad #1 Pond	2,900,000
Hamburg Pit	5,000,000

Have approximately 4,000,000 gallons of storage available according to Doug Jensen. The Hamburg pond contains about 4,000,000 gallons of runoff/draindown from pad #1. This water is currently being drained into the sediment ponds in the Hamburg pit. Pad #2 drains into the pregnant pond at about 50,000 gallons per day.

Wayne Thomas collected samples from both Pad #1 at the outlet into the sediment ponds, and Pad #2 at the outlet into the pregnant pond. A full suite of tests will be run by DEQ on these samples.

C. Wildlife Exclosure

Mine site fence was in good condition although there was evidence of cattle having been on the site this spring.

Pit highwall fences were not checked.

Plant chainlink fence was in good condition.

D. Wildlife mortalities

Monthly reports have been discontinued. There were no wildlife mortalities in last quarter.

E. Public Access Restrictions -

Site is fenced and gated per approved plan. Gates on access roads are left closed but unlocked. The cattleguard at the gate needs to be cleaned out.

F. Overspray of cyanide solution -

No solution was being applied so no overspray was noted.

G. Cyanidated material placed on unlined surface -

There was no evidence of cyanidated material off of lined surfaces.

H. Runoff diversion structures -

All ditches and berms were in place.

I. Apparent leakage from solution collection and transfer structures -

No leakage was found.

J. Leak detection and recovery systems -

The leak detection bulbs were not examined.

K. Monitoring well locations -

Monitoring wells were not checked or tested.

II. General Inspection Remarks

Overall the site looks good.

The site was clean and no serious problems were noted.

III. Discussion with Doug Jensen

The reclamation plan was discussed. Doug thinks the order should be:

- 1 - construct infiltration/attenuation gallery in Hamburg sediment pond area.
- 2 - reshape and soil heap pad #2.
- 3 - remove facilities and reshape plant area.

There are several small items which also need to be done (remove water pipeline, reseed pad #1 spots, Beavertail pit resoil/seeding, remaining exploration, telephone repeater site, etc.), but they could wait until the end or be done as equipment became available between the major projects.

He was concerned that work would not get started early enough this year to allow time to get the soiling of Pad #2 completed before the soil got too wet to handle effectively.

Doug mentioned the conference call between UDOGM and Dakota yesterday (April 21) concerning the bond forfeiture. He indicated he thought the UDOGM idea was a good one considering what Dakota was telling its employees.

Doug assured us the pumps and generators were in good condition and there was sufficient fuel on site to run them for several months. If another major storm system moved through and dropped more than 4 inches of rain, they would run out of storage for pad #2 run-off, which would require another emergency release.

I asked about the deer hunt season. He said there had been less problem this year than last.

Items needing Attention

No items were found needing attention.

Inspected by: _____
 Title Date __April 23, 1998__

Reviewed by: _____
 Title Date _____